

Technical Assistance Paper #5

Assisting Local Enterprises

The Global Village

Economies today are international in scope, and to survive most employers must compete in some way on a global level. Materials, labor and services may be acquired from virtually anywhere in the world, and consequently, the market for locally produced goods and services may be just as far reaching. The past two decades have revealed how easily an employer, especially a manufacturer, can move from one community to the next in an effort to become more competitive. And with the advent of satellite communications, high speed computers, fiber optics and fax machines, business can be located almost anywhere - from downtown Manhattan to Main Street in a Missouri small town.

One successful economic development strategy is to increase the competitiveness of existing enterprises, and thus enable them to remain in the community. In order to accomplish this, an economic developer must be:

- 1) in tune with local employers and their needs;
- 2) abreast of national and international trends and conditions, and;
- 3) Aware of the tools and techniques available to connect the two.

Tools and Strategies for Existing Business

There are several generally recognized methods for assisting existing employers:

! Restructuring of Retail and Service Enterprises; The social and economic center of most rural communities has historically been their downtown business districts. Recent years, however, have seen the retail and service viability of these areas decline. Economic restructuring of these enterprises seeks to restore their profitability by taking a new look at what kinds of enterprises are relevant. For example, in the past, many downtowns have been the home of major department stores. But today those stores are likely to be more

profitable at the community's edge where access by automobile is greater. Many downtowns have thus restructured from retail to smaller boutiques, restaurants or office space.

! Business Consulting Services; Services from offices like the Business Expansion and Attraction Group of the Department of Economic Development, Small Business Development Centers and the Small Business Administration provide employers with informational support and analyses of their business that may be useful in improving their profitability. In addition, these services maintain extension databases of other programs and services that are available to assist both individual businesses and entire communities.

! Expansion and Technological Innovation; Meeting the needs of a growing market may require an employer to make sweeping physical changes to their facilities. Likewise, technological innovations may require employers to make substantial capital outlays to keep up, or to acquire an edge on the competition by employing new methods or processes for producing goods and services.

! International Marketing and Market Analysis; The most obvious method of increasing the profitability of any employer is to increase the size of their marketplace. More and more businesses are realizing that the demand for their product can be international, as well as, national, regional and local. The Business Development Group of the state of Missouri's Department of Economic Development can assist with international marketing.

! Employee Training and Continuing Education; Every business and industry requires a well trained work force for its long term prosperity. In addition, the rapid pace of technological and economic change requires that employees constantly update their skills and knowledge. There are many groups that can provide these services, from state government to universities, colleges, vocational schools and other local educational institutions. The Workforce Development Group may be used as the central focus for these activities.

Quality of Life

Programs to assist existing employers must interrelate with the needs and resources of the entire community. Economic and community developers generally believe that a community ultimately succeeds or fails because of its desirability as a place to live and work. Quality of life issues such as housing, education, parks and recreational facilities, even local attitudes all fall within the scope of a multi-

dimensional local economic development program. In the long run, economic development is one result of successful community development.

For more information about Missouri's business development and community development programs, contact the Missouri Department of Economic Development at 800.523.1434.